

## **Summary of Stakeholder Comments on OTC Draft Control Measures**

### **AIM coatings**

- The current OTC AIM rule was just implemented; more time is needed to assess any performance issues resulting from this rule.
- The problematic Rule 1113 limits (that OTC intends on possibly adopting) have not even been implemented and based on technological problems; NPCA is currently negotiating these limits and implementation dates with SCAQMD. In addition many of the limits and amendments are currently under litigation.
- Coatings formulated for Rule 1113 will not work in the Northeast (SCAQMD staff recently affirmed this at a recent SCAQMD Governing Board meeting) and could have a severe negative impact on the infrastructure in the Northeast
- We are very concerned about any rule change that would not include separate categories for Interior vs. Exterior coating systems as the demands for each are quite different.
- We request that you continue to keep the Concrete/Masonry Waterproofing Sealers as a separate category at 400 grams/liter. These are very unique coating categories that will never represent large volume emissions of volatile organic content within your region. Based on the usage levels of the correct products that fall into this category, they represent a minuscule amount of VOC's and therefore reducing and or eliminating this category for the above mentioned products would NOT result in any real emission reductions
- In 2006, CARB will complete several important projects that will directly benefit OTC – CARB will complete its 2005 AIM Survey which will provide needed information on the availability of coatings compliant with Rule 1113. CARB will also complete its work on an alternative to Method 24 – since this method does not work well at the Rule 1113 limits.
- Implementation of a rule eliminating Anti-Graffiti coatings as a separate category will effectively eliminate these specialty items needed badly in OTC urban areas from commercial availability. The usage levels of these products are very low and further controlling them will have miniscule impact on voc emissions.
- The cost impacts of Rule 1113 are excessive - \$20,000 per ton of VOC.

### **Auto Refinishing and Recoating**

Since most auto body shops utilize solvent borne technology, regulatory agencies must take into account the fact that the end users require additional training to be able to apply these products successfully. The use of water borne technology involves the updating of current spray booths and ovens...this may lead to long lead in time for equipment upgrades.

## **Cement Kilns**

This paper presents and discusses the technical feasibility issues related to implementing SCR technology at a portland cement plant utilizing either preheater/precalciner or long wet or long dry kiln systems. The results of this assessment demonstrate that the technology is not easily transferred from the power plant industry to the portland cement industry and that substantial research and pilot testing would be required before the technology could be considered commercially available for use on cement kiln systems. By contrast, SNCR is currently commercially available for the portland cement industry and is being offered with performance guarantees, has a successful track record in Europe, and is equivalent to what SCR is predicted to achieve. For these reasons, the most dependable and effective NO<sub>x</sub> control technology currently available for modern preheater/precalciner (PH/PC) kiln systems is considered to be SNCR. SNCR is not currently commercially available for long wet or long dry kiln systems due to the inability to inject the reagent into the proper temperature zone, which is located mid-kiln.

## **Consumer Products**

CSPA supports the OTC Control Strategy Committee's Candidate measure to adopt the OTC model rule in all OTC states. Moreover, CSPA could support the development of a new model rule upon currently effective final regulatory standards promulgated by CARB in July 2005. However, CSPA cannot support the Committee's proposal to adopt California's other recently promulgated – but not yet effective VOC limits.

### **CFTA-**

CARB adopted a 4% VOC standard for shaving gels to become effective in December 31, 2009. but acknowledged industry concerns this may not be feasible by requiring a technology review of the product category in 2008.

## **Diesel**

Clean Air task Force.

In order to effectively address the severe human health and nonattainment problems created by diesel emissions, a wide menu of available options must be employed. These options include:

- mandatory emission controls for highway diesels (where Clean Air Act preemption is not a problem—see attached memorandum);
- clean diesel contract performance requirements and allowances for diesel construction vehicles and equipment;
- required use of ULSD fuel for non-road engines prior to EPA's implementation date of the federal requirement;
- various types of financial and non-financial incentives, and funding programs to support those incentives; and
- mandatory and voluntary idle reduction measures for highway diesels, trains and ships, facilitated by truck stop electrification and shore power facilities.

## Electric Generating Units

BBC -

- Electric rates in Pennsylvania in the year 2010 would be about 7.5 percent higher under CAIR-Plus, and about 3.4 percent higher under PennFuture, than they would be under the EPA's CAIR and CAMR rules.
- Demand for coal mined in Pennsylvania in 2010 is expected to decline by 20.8 million tons under CAIR-Plus, equivalent to 32 percent of the state's coal production in 2004. Under PennFuture's proposal, demand for Pennsylvania coal in 2010 is expected to decline by 12.5 million tons.
- Economic output in Pennsylvania is projected to be reduced by between \$1.4 billion and \$2.0 billion under CAIR-Plus in 2010. Under PennFuture's proposal, the reduction in annual state economic output is estimated to be between \$690 million and \$890 million.
- Employment in Pennsylvania is projected to be reduced by between 12,000 and 15,000 jobs under CAIR-Plus. Under PennFuture's proposal, up to 7,100 jobs could be lost.

CATF –

OTC's proposed power plant reductions will be absolutely necessary and a critical piece of any reasonable strategy for OTC states to reduce NO<sub>x</sub> and SO<sub>2</sub> emissions in order to reach attainment of the ozone and PM NAAQS. Failure to attain has not only substantial health consequences for OTC citizens, but also substantial economic consequences for its businesses as well.

We understand that OTC has held discussions with states in the Midwest in an effort to achieve a broader EGU control area. We applaud those efforts, and would urge that they be fully pursued. However, we also believe that OTC must proceed with its proposed EGU control strategy in the event that no agreement can be reached.

Debra Jacobson GWU Law School -

Energy savings or new generation from EERE projects will result in the displacement of fossil fuels. However, such projects will not result in actual reduction of NO<sub>x</sub> emissions unless the State assures a commensurate retirement of NO<sub>x</sub> allowances through the State's NO<sub>x</sub> budget trading rules or an available enforcement mechanism.

## EGU Peaking Units

By OTC's own estimates, the capital cost of retrofitting water injection on a typical single-cycle combustion turbine is about \$1 million per engine. On a typical unit, the marginal cost effectiveness of this strategy would be approximately \$44,000 per ton of NO<sub>x</sub> reduction. *This is about an order of magnitude higher than what EPA considers cost-effective reductions of NO<sub>x</sub> emissions from EGUs represented in its CAIR rule.* Additionally, this estimate could increase significantly depending on actual emissions from a particular unit and the number of engines serving each a particular generator.

CEG recommends that the OTC conduct air quality modeling aimed at isolating the potential ozone reduction benefits associated with the strawman proposal for EGU peaking units.

### **Industrial, Commercial and Institutional Boilers**

During the rulemaking process, regulators rely on what they believe to be the best information available to predict the economic impact a proposed regulation on the regulated community. Often that information reflects only a fraction of the cost (perhaps the cost of the equipment alone) and does not reflect the associated costs that form the greater portion of the total capital cost of the upgrade. In other cases, costs are extrapolated from cost data for completely unrelated facilities, such as new facilities or electric power generation facilities. Neither provides a good basis for estimating the cost of equipment upgrades to an existing industrial facility with siting, energy supply, process control and multiple other complications.

### **Lime Kilns**

OTC's control measure summary should be revised to reflect the infeasibility of SNCR and SCR controls for lime kilns. This finding is consistent with all other authorities that have evaluated the potential application of NO<sub>x</sub> controls on lime kilns

### **Printing and Graphic Arts**

In our review of the OTC state requirements, we found that most either have a state minor NSR program or existing RACT rules that are consistent with the requirements being considered for recommendation. Additionally, states have adopted applicability thresholds that have captured the majority of the smaller sources. Therefore, the GAC fails to see the benefit of pursuing adoption any new requirements, such as those found in the SCAQMD's Rule 11